

ARIHANT INDUSTRIAL CORPORATION LIMITED



NOTICE is hereby given that the **Thirty Ninth Annual General Meeting** of the Members of **Arihant Industrial Corporation Limited** ('The Company') will be held at the Registered Office of the Company at **Survey 21, Opp. Bhulani Industrial Estate, Palghar-Manor Road, Netali, Palghar 401404** on **Monday, 30th day September, 2024** at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. A. To receive, consider and adopt audited Standalone Financial Statement of the Company for the financial year ended 31st March, 2024 together with the report of the Board of Directors and Auditors thereon; and
B. To receive, consider and adopt audited Consolidated Financial Statement of the Company for the financial year ended 31st March, 2024 together with the report of the Auditors thereon.
2. To declare dividend of Re. 1/- (Rupee One Only) per Equity Share for the financial year ended 31st March, 2024.
3. To appoint a Director in place of Mr. Virendra Shantilal Shah (DIN: 00154410), Director who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 and rules made thereunder, as amended, M/s. CGCA & Associates LLP, Chartered Accountants, (having Firm Registration No. 123393W) Mumbai, being eligible be and are hereby appointed as the Statutory Auditors of the Company for a term of five years commencing from the financial year 2024-25 till financial year 2028-29, to hold the office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting of the Company to be held for the financial year end 2029, at remuneration to be decided by the Board in consultation with the said Auditors at a later date."

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, with or without modification/s the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the requisite approval of the Central Government, if any required, the consent of the members of the Company be and is



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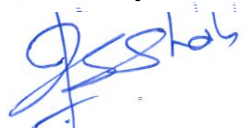


hereby accorded for re-appointment of Mr. Rajen Shah (DIN: 00154495) as Managing Director of the Company from 1st April, 2024 to 31st March, 2026 on payment of remuneration not exceeding Rs. 7,00,000/- per month including Basic Salary, House Rent Allowance and other Perquisites, Bonus, Performance Incentives, Commission and other additional perquisites as approved by Board from time to time as per the rules of the Company, in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, if any.

The following perquisites however shall not be included in the computation of the ceiling on remuneration:
(a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
(b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
(c) Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT Mr. Rajen Shah shall be entitled to the re-imbursement of all out of pocket expenses which may be incurred by him for and in the course of business of the Company."

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company."

<p>Registered Office: Survey 21, Opp. Bhulani Industrial Estate, Palghar Manor Road, Village Netali, Palghar 401104</p> <p>Place: Palghar</p> <p>Date: 6th September, 2024</p>	<p>By Order of the Board of Directors For Arihant Industrial Corporation Ltd.</p>  <p>Rajen S. Shah Managing Director (DIN: 00154495)</p>
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NOTES:

- The statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special businesses set out in the Notice is annexed.
- A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of himself / herself and that proxy need not be a member of the Company. Proxies in order to be effective, should reach duly completed, stamped and must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.



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c) Members are requested to note that as per section 124 of the Companies Act, 2013, dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund of the Government. Unclaimed Dividends as per details given in the table below has been initiated for transfer to the 'Investor Education and Protection Fund' on the date mentioned below. Those members who have so far not encashed these dividend warrants or any subsequent dividend warrants may claim or approach the Company for the payment thereof.

Dividend Period	Due date for transfer
Dividend 2016-17 paid in Sep 2017	3 rd November, 2024

d) Members may note that pursuant to the Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. 1st April, 2020.). The Company will deduct TDS while making payment of dividend.

e) Relevant documents referred to in accompanying Notice and statement are open for the inspection by the members at the Registered Office of the Company on all working day (except Saturday) during business hours up to date of the Annual General Meeting.

f) **Note on Dematerialisation of Shares Held in Physical Form** - As per the 'Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018' notified by Ministry of Corporate Affairs, all Unlisted Public companies are required to issue/ transfer Shares in Dematerialized form only, w.e.f. 2 October, 2018 and also required to dematerialize the existing securities. We would request you to kindly convert your shares from physical form to demat form at the earliest possible. Dematerialization facility is available on Central Depository Services (India) Limited (CDSL). Company's ISIN is INE09A101010. In order to give effect to the above, you are requested to dematerialize your shares, as the Company shall not be able to entertain any request for transfer of securities in physical form. For the purpose of dematerialization, you are requested to contact your Depository Participant (DP) with whom you have opened your Demat Account. In case you have not yet opened your Demat Account, you are requested to contact any DP of your local/preferable area having connectivity with CDSL and do the needful. In case you need any assistance kindly contact Ms. Kavita Botadara on 9168649954 or investor.relations@arihant.com.

g) All the members are requested to register their e-mail id with the Registrar and Share Transfer Agent of the Company for the purpose of service of documents under Section 20 of the Act, by e-mode instead of physical service of documents.

h) Corporate members intending to send their authorized representatives at the Annual General Meeting are requested to send a certified true copy of the board resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.

i) Attached is a proxy form with instructions for filling, stamping, signing and depositing the proxy form.

j) Route map of the venue of Annual General Meeting is annexed to the notice.

k) As per Secretarial Standards (SS) -2 issued by the Institute of Company Secretaries of India, details in respect of a director seeking re-appointment at the Annual General Meeting are separately annexed to this Notice.



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EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. 5

Re-appointment of Mr. Rajen S. Shah, Managing Director:

The members of the Company had approved re-appointment of Mr. Rajen S. Shah as Managing Director of the Company at Annual General Meeting held on 31st July, 2023 w.e.f. 01.04.2023 for 12 months. The term of appointment expired on 31.03.2024.

Considering the progress made by the Company under the able guidance and supervision of Mr. Rajen S. Shah and considering the current situation of the Company; in compliance with the provisions of Shareholders Agreement and Articles of Association, it is proposed to re-appoint him as Managing Director and payment of managerial remuneration w.e.f. 01.04.2024 for further period of 24 months (i.e. 01.04.2024 to 31.03.2026). The Proposed remuneration has been approved by the Board of Directors and the same is in compliance with the conditions of Schedule V to the Companies Act, 2013, as amended. The Company has not made any default in repayment of any of its debt (including public deposits) or debentures in the past one year.

The terms and conditions of the draft agreement are set out herein below:

Period of Appointment: 01.04.2024 to 31.03.2026

Terms of Appointment: Remuneration not exceeding Rs. 7,00,000/- per month including Basic Salary, House Rent Allowance and other Perquisites, Bonus, Performance Incentives, Commission and other additional perquisites as approved by Board from time to time as per the rules of the Company, in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, if any.

For the purpose of computing ceiling on perquisites, the same will be valued as per Income Tax Rules, 1962 wherever applicable.

The following perquisites however shall not be included in the computation of the ceiling on remuneration as stated above.

- (a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- (b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- (c) encashment of leave at the end of the tenure.

STATEMENT OF INFORMATION AS REQUIRED UNDER SCHEDULE V, PART II, SECTION II (B) (IV):

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I: General Information about the Company:

1. Nature of Industry: The object of the company for which it is formed is to manufacture playground equipment, water park equipment, to own and manage water park, including to manufacture , produce, repair, design, tools, machineries, plants, equipment, etc.

2. Date of Commencement of Commercial Production: The Company was incorporated on 15th September, 1984. Immediately after incorporation, the Company has commenced commercial operation and till date the Company is engaged in the activities of Play Equipment and WaterSlide Equipment.

3. Financial Performance Based on Given Indicators: The financial data as per last audited Balance Sheet as on 31st March, 2024 are as under:

Particulars	For the Year ended 31.03.2024 (Rs.)
Total Income	10203.78
Net Profit Before Depreciation and Tax	862.06
Depreciation	348.73
Net Profit Before Tax & Exceptional item	513.33
Exceptional Gain/(Loss)	0
Provision for Taxation	0
Net Profit after Tax	392.31

4. Export Performance and Net Foreign Exchange Collaborations: The Company has achieved export turnover of 1031 Lakhs during the year ended 31st March, 2024. The Company does not have foreign collaborations.

5. Foreign Investments or Collaborators: The Company has not made any investment in foreign body corporate or foreign entities. The Company do not have any foreign collaboration and has not received or invested any money towards foreign collaboration and hence no information to be provided in this respect.

II: Information about the Appointee:

1. Brief Profile of Appointee: Mr. Rajen Shah holds B.Com Degree from Mumbai University. He has been instrumental in formation of "Arihant". He has widely travelled globally. He has introduced innovative concepts in Recreation Division (Comprising of playground equipments, waterslides, toys & Water Park). These pioneering efforts have led to retaining consistent leadership position in playground equipments & waterslides. His core competency is building organizational team. He has been founder member, secretary General for 4 years, Vice president for 2 Years in Indian Association of Amusement Parks & Industries (IAAPI). His contribution to IAAPI has put the Company on firm grounds in the Recreation Industry. Mr. Rajen Shah has been involved in the activities of the Company since incorporation. He is pioneer in the set up, management and operation of the Recreation Division of the Company.



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2. Past remuneration: In the past, Mr. Rajen Shah has drawn Remuneration not exceeding Rs. 7,00,000/- p.m. from the Company.

3. Recognition and Award received in past:

The following are the Awards received by the Company under his guidance

Year	Category
2021	Our MD Mr. Rajen Shah awarded for outstanding Service by IAAPA
2020	CII Design Awards 2020
2019	IAAPA Brass Ring Award for Best Exhibit
2019	Award for 'Play Equipment (SME) for ThunderBay' at The Economic Times POLYMERS Awards 2019.(Excellence In Plastic)
2017	ASSOCHAM - ICAI - CMA - 4th SMEs Excellence Award
2016	2015 Leaders Awards (Enterprise Edition) presented by 24 MRC in partnership with IBN7
2016	Runner Up of Third ASSOCHAM – ICAI SME's Excellence Award – 2015 for SME of the year
2016	Recognized by Government of India as Star Export House
2016	Arihant in INC. List of 100 Most Innovative Mid-Size Companies
2015	Arihant in INC. List of 100 Most Innovative Mid-Size Companies
IAAPI Awards	
2024	IAAPI National Awards for Excellence – Innovative Wet Rides
2024	IAAPI Best Booth Award
2023	National Awards for Excellence - Best Wet Ride
2019	National Awards for Excellence – Wet Rides
2017	IAAPI National Awards for Excellence 2016-17 – Best Exhibition Booth
2016	Best Booth Display
2016	Best Wet Ride
2015	2015 Best Booth Design
2014	2014 Best manufacturing Wet Ride – Funnel Slide
2013	2013 Best manufacturing product of Wet Rides
2011	2011 Business Excellence
2011	2011 Innovative/ New Product
2011	2011 Wet Ride
2009	2009 Best Stall Designing
2009	2009 PTC WORLD
2007	2007 Best product Design
2003	2003 Best Manufacturing product
2002	2002 Best Quality indigenous new product
2001	2001 Best manufacturing product of Wet Rides



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4. Job Profile and Suitability: Mr. Rajen S. Shah being at the top of management and executive position in the Company, works for charting the blueprint and roadmap – growth path and implements them for the improvement of the Company. He acts as a head of the Company scrutinizing, assessing and monitoring various departments. The heads of all departments are answerable to him and he is answerable to the customers, board of directors about the company's performance. As a head executive he ensures that the work culture and working environment in the office is conducive to promote positive work environment. Since he is the representative of the Company's ideologies and mission statement, he regulates, modifies and implements changes that are aimed to boost employee efficiency and garner profits to the Company.

5. Remuneration proposed: It is proposed to pay Managerial Remuneration to Mr. Rajen Shah for an amount not exceeding Rs. 7,00,000/- per month.

6. Comparative Remuneration in the Industry: Considering the nature of industry and specialty of services rendered by Mr. Rajen S. Shah and also considering the complex role performed by Mr. Rajen S. Shah no comparative remuneration of industry is available for information.

7. Material Pecuniary Relationship: Mr. Darpan Shah, relative of Mr. Rajen Shah is Whole Time Director and employee of the Company, drawing remuneration from the Company. Mr. Virendra S. Shah, relative of Mr. Rajen S. Shah is Non-Executive Chairman of the Company and Ms. Nirali Shah relative of Mr. Rajen S. Shah charges professional fees from the Company. Mr. Rajen Shah has provided short term / long term financial assistance to the Company, save and except receipt of interest for the same Mr. Rajen Shah, has no other material pecuniary relationship, directly or indirectly with the Company or with the Managerial Personnel.

III: Other information:

1. Reason for inadequate Profit and measures taken for improvement: The Bottom-line was hit in past years due to several reasons and company took several measures and moved towards profitability, however the same is still inadequate. The company is focusing on dispatching the pending orders in hand and collecting the outstanding. The Company is taking every possible steps to increase the business volume and thereby profitability.

2. Expected Increase in Profits in Measurable Terms: Considering the proposed businesses and the projects of the Company it is not possible to ascertain and quantify the expected increase in profits in measurable terms at this stage. However, subject to market conditions, company expects 5% to 7 % growth in income and profitability in next 3 years.

The terms and conditions including remuneration may also be treated as an abstract of the terms of appointment of the Managing Director as required under Section 190 of the Companies Act, 2013.

The Directors recommend the Special Resolution for the approval of the member.

None of the Directors except Mr. Rajen S. Shah himself and Mr. Darpan R. Shah and Mr. Virendra S. Shah (who may be deemed to be interested in the resolutions, to the extent of their shareholdings, if any, in the Company) none of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution proposed in Item Nos. 5.



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Annexure I

Details of Director being re-appointed at the Annual General Meeting as required under Secretarial Standard on General Meetings (SS-2).

Name of the Director	Mr. Rajen Shah	Mr. Virendra Shah
Director's Identification Number	00154495	00154410
Date of Birth	16 th October, 1955	29 th November, 1947
Age	68 years	76 years
Qualification	B. Com.	B. E.
Experience	46 Years	39 Years
Nature of expertise	Management	Management
Terms and conditions of re-appointment along with details of remuneration sought to be paid	Managing Director entitled to a remuneration not exceeding Rs. 700,000/- per month	Non-Executive Director entitled to Sitting Fees per Board meeting attended
Remuneration last drawn	Rs. 348,786/- per month	NA
Date of appointment on Board	15.09.1984	15.09.1984
No. of Shares held	843196 Equity Shares	14,57,521 Equity Shares
Relationship with other directors and Key managerial Personnel	Brother of Mr. Virendra S. Shah, Non-Executive Chairman Director, Father of Mr. Darpan Shah, Whole-time Director	Brother of Mr. Rajen S. Shah, Managing Director
No. of Board Meetings attended in 2023-24	6	6
No. of companies in which he holds directorship (Other Than Company)	3	3
Membership / Chairmanship of Committees in other Companies	None	Nil



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